Supreme Court, U. S.
FILED
SEP 5 1978
MICHAEL RODAK, JR., CLERK

No. 78-250

In the
Supreme Court of the United States
October Term 1977

EUGENE A. WAHL and
VIBRA SCREW, INCORPORATED,
Petitioners,

vs.

REXNORD, INC.,
Respondent.

BRIEF ON BEHALF OF REXNORD, INC. IN OPPOSITION TO THE PETITION FOR WRIT OF CERTIORARI

Thomas F. McWilliams
53 W. Jackson Blvd.
Chicago, Illinois 60604
Attorney for Respondent

The Scheffer Press, Inc.—(312) 263-6850

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1977

No. 78-250

EUGENE A. WAHL and
VIBRA SCREW, INCORPORATED,

Petitioners,

vs.

REXNORD, INC.,

Respondent.

**BRIEF ON BEHALF OF REXNORD, INC.
IN OPPOSITION TO THE
PETITION FOR WRIT OF CERTIORARI**

Petitioners charged Rexnord, Inc. with infringement of two patents owned by Eugene A. Wahl and exclusively licensed to Vibra Screw, Incorporated. One of the patents charged to be infringed is No. 3,173,583 which heretofore has been the subject of extensive litigation.

1. The Indiana Litigation

The '583 patent was before Judge Steckler in the Southern District of Indiana, and by a judgment entered November 5, 1969, all of the claims of the patent were held invalid. Extensive findings of fact and conclusions of law were entered by Judge Steckler.*

---

* Those findings appear in the Third Circuit appendix at pages 13a-31a.

In these findings, the patent was held invalid because the claims were anticipated by certain prior art patents and prior uses. The patent was also held invalid under 35 USC 103 because the subject matter thereof at the time the alleged invention was made, was obvious to one of ordinary skill in the art. In reaching his decision, Judge Steckler followed closely the mandate of this Court set forth in *Graham* v. *Deere* (383 US 1) by determining the scope and content of the prior art, the level of the ordinary skill in the art and the differences between the invention set forth in the claims of the patent and the prior art, and held that the subject matter of the claims was obvious under Title 35 USC 103.

An appeal was taken from this judgment to the Court of Appeals of the Seventh Circuit, and on August 30, 1971, the Court entered its opinion (452 F.2d 96). The Court, in an exhaustive opinion, considered the judgment of the Court below, quoted many of the findings entered by Judge Steckler, and affirmed the judgment of the trial court. One of the arguments presented in the Seventh Circuit was that Judge Steckler had been led astray and did not understand the subject matter before him. The Court of Appeals stated:

> "The record refutes the suggestion that Judge Steckler was led astray. It reveals that he was keenly aware of the issues for decision and the contentions of the respective parties, and actively participated in the examination of the expert witnesses." (452 F.2d 99)

Thus, the Court of Appeals affirmed both the findings that the claims of the Wahl patent were anticipated by the prior art referred to by Judge Steckler and that the subject matter of the claims was obvious at the time the alleged invention was made.

A petition for rehearing was filed and denied, and certiorari was denied by this Court in March 1972 (405 US 990).

2. The Blonder-Tongue Case

While the appeal was pending in the Seventh Circuit, but before decision, petitioners filed a suit for infringement of the '583 patent in the District Court for the Western District of Kentucky. Prior to any substantive action in the Kentucky case, this court entered its opinion in the Blonder-Tongue case (402 US 313) which held that a patentee whose patent is held invalid in a suit against one alleged infringer may be precluded under the doctrine of collateral estoppel from asserting the validity of the patent in suit against a different alleged infringer. By this decision, this court overruled what had been the prevailing practice of continued litigation after a holding of invalidity as approved in *Triplett* v. *Lowell*, 297 US 638 (1936). Among other things, this Court stated:

> "We are not persuaded, therefore, that the Triplett rule, as it was formulated, is essential to effectuate the purposes of the patent system or is an indispensable or even an effective safeguard against faulty trial and judgments. Whatever legitimate concern there may be about the intricacies of some patent suits, it is insufficient in and of itself to justify patentees relitigating validity issues as long as new defendants are available. This is especially true if the court in the second litigation must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it. (402 US 334)
>
> • • • • •
>
> "Thus, we conclude that Triplett should be overruled to the extent that it forecloses a plea of estoppel by one facing a charge of infringement of a patent that has once been declared invalid." (402 US 350)

3. The Kentucky Litigation

Shortly after the opinion of this Court in Blonder-Tongue, Vibranetics, defendant in the Kentucky litigation, filed a motion for summary judgment of collateral estoppel; briefs were filed, the case was argued and on April 24, 1972, Judge Bratcher entered a memorandum and order in which he considered the Indiana trial court litigation and the opinion of the Court of Appeals, and stated:

> "This cause does not appear to be one of those rare instants (sic) where the trial court failed to wholly understand and comprehend the technical issues in controversy. In fact, quite the contrary situation is presented. The Indiana suit lasted some eight days. During this time the trial Judge actively participated in the proof and his conclusions of fact were made (in) an intelligent understanding of the technical issues involved."*

Applying the doctrine of this Court as enunciated in Blonder-Tongue, the Court granted the motion for summary judgment of dismissal stating:

> "It is obvious that to allow plaintiff to relitigate here, the same issues previously decided, would not serve justice and equity but would in fact have the contrary result."

An appeal was taken from the judgment of Judge Bratcher to the Court of Appeals for the Sixth Circuit, and on March 2, 1973, an opinion was filed (474 F.2d 971) which gave due consideration to the memorandum and order of Judge Bratcher, the Indiana litigation and the decision of the Seventh Circuit Court of Appeals and the decision of this Court in the Blonder-Tongue case, and stated:

---

*Judge Bratcher's memorandum and order appears in the Third Circuit appendix at pages 62a-67a.

> "We, therefore, conclude that these plaintiffs 'had a full and fair chance to litigate the validity of their patent' in the Southern District of Indiana." (474 F.2d 976)
>
> * * * * *
>
> "Plaintiffs' counsel suggest in their briefs that they should have been accorded a trial for the purpose of determining whether or not the prior trial in the District Court in Indiana, which resulted in the adjudication of invalidity, awarded to the plaintiffs a full and fair opportunity under appropriate procedure to present all evidence and witnesses in support of the patent in suit. If we were to accept this theory the whole purpose of the rule laid down by the Supreme Court in Blonder-Tongue would be defeated. We, therefore, hold that such a trial is neither necessary nor advisable in a case such as this where the court in which the subsequent action is pending has available the record from the prior litigation from which it can determine whether the claim of estoppel rests upon a firm foundation based on the requirements laid down in Blonder-Tongue.
>
> "The judgment of the District Court is affirmed." (474 F.2d 973-977)

In the Kentucky litigation, after the decision of the Court of Appeals for the Sixth Circuit, a petition for writ of certiorari was filed in this Court which was denied (414 US 859).

4. The Present Litigation

About three years after the decision of the Sixth Circuit Court of Appeals upheld the plea of collateral estoppel under Blonder-Tongue, petitioners instituted the present action in the United States District Court for the District of New Jersey, charging infringement of the '583 patent. Defendant, Rexnord, Inc., filed a motion for summary judgment of dismissal of the charge of infringement of

the '583 patent, asserting the Indiana litigation, this Court's opinion in the Blonder-Tongue case, and the opinion of the Sixth Circuit Court of Appeals in the Vibranetics case. Briefs were filed and the motion was presented to Judge Meanor by oral argument at which time Judge Meanor determined that under the doctrine of collateral estoppel, summary judgment of dismissal of the charge of infringement of the '583 patent should be allowed (A-35 - A-39), and an order was entered to that effect.

An appeal was taken from this order to the Third Circuit Court of Appeals which, after briefs and argument entered an order without a formal opinion affirming the judgment of the District Court. A petition for rehearing en banc was subsequently denied.

Judge Meanor's consideration of the matter gives adequate grounds for his summary judgment of dismissal of the charge of infringement (A-35 - A-38) stating:

> "Thus far, the '583 patent has been adjudicated invalid after a full trial on the merits in the Southern District of Indiana. The fairness of the Indiana litigation has been fully tested on the merits in the Kentucky suit."

Judge Meanor also had before him a decision of the Third Circuit Court of Appeals extensively considering and applying the doctrine of the Blonder-Tongue case. This case is *Kaiser Industries Corporation* v. *Jones & Laughlin Steel Corporation* (515 F.2d 964, Cert. denied 423 US 876).

The '583 patent has been held invalid in the District Court in Indiana which holding was affirmed by the Seventh Circuit Court of Appeals with certiorari denied by this Court. Thereafter, the District Court in Kentucky

properly applied the Blonder-Tongue doctrine of this Court to enter a summary judgment of dismissal of the charge of infringement of the '583 patent which judgment was considered by the Sixth Circuit Court of Appeals and affirmed, and in which certiorari was denied by this Court.

In this case, Judge Meanor properly applied the Blonder-Tongue doctrine of this Court to an additional charge of infringement of the '583 patent, and entered a summary judgment of dismissal of the charge of infringement of the '583 patent which judgment has been affirmed on appeal by the Third Circuit Court of Appeals.

The effect of all of this is that this is the third time petitioners have been before this Court, in effect, challenging the correctness of the holding in the Indiana litigation of the invalidity of the '583 patent. Twice before, this Court has denied certiorari.

Notwithstanding this long history of unsuccessful litigation by petitioners, it is now asserted that some "crucial" evidence has been uncovered which would tend toward holding the '583 patent valid. This so-called "crucial" evidence is alleged to appear in articles in trade publications referring to a newly discovered theory of operation of the devices covered by the '583 patent. It is alleged that this "crucial" evidence appeared in 1973 or 1974 and was therefore not available to petitioners either in the Indiana litigation or the Kentucky litigation. It is asserted that this "crucial" evidence involves some subtle appreciation of the way the device works.

All of these assertions are advanced only as a makeweight to attempt to get around this Court's Blonder-Tongue doctrine. The claims of the '583 patent were held invalid because anticipated by art in existence long prior

to the filing of the application for the '583 patent, and it was held that the subject matter of the claims of the Wahl patent was obvious in view of this prior art, and that therefore, the patent was invalid. *Whatever happened subsequent to the Indiana or Kentucky litigation can in no way change the holding of invalidity over the earlier prior art.*

The case was tried in Indiana on the drawings, specification and claims of the '583 patent. It is not asserted that even if plaintiffs' contentions are true there would be any changes in the drawings, specification or claims of the Wahl patent. Any asserted new litigation would be precisely on the same patent as granted by the Patent Office, and therefore, the ultimate conclusion reached must be the same as that reached in the Indiana courts. Judge Meanor quickly concluded that plaintiffs' alleged "crucial" evidence was basically opinion evidence and stated:

> "I always make a distinction in my own mind between the fact and opinion. I don't believe you have any new facts and such as distinguished from different and new perhaps more sophisticated and more advanced opinions based on facts that were in existence at the time of the Kentucky and independent (Indiana) litigation." (A-26)

Petitioners argue that from the date of the grant of the patent in 1965 until 1974, petitioners and their competitors in the industry did not really understand how this relatively simple device worked. This statement is made even though for the period from 1965 until 1974, Wahl and Vibra Screw sold these devices in great numbers, as did Vibranetics, and as did Carrier. It is incredulous to accept the assertion that with this vast sale of these relatively simple devices and the acceptance of these devices by industry, that prior to 1974, nobody really knew how they worked.

As indicated, any new trial would be upon the same patent with the same specification and drawings and claims as were involved in the earlier litigation.

If what plaintiff now asserts to be the correct mode of operation appears in the patent, the proffered new evidence is not "new and crucial".

If it does not appear in the patent specification or the drawings, then we should be mindful of this Court's statement in *Graham* v. *Deere,* 383 US 1 where the Court rejected an argument for patentability where a specific new theory was advanced, but one which was not found in the patent. This Court stated:

> "Petitioners' argument basing validity on the free-flex theory raised for the first time on appeal is reminiscent of Lincoln Engineering Co. v. Stewart-Warner Corp. 303 US 545, 82 L.ed. 1008, 58 S. Ct. 662 (1938). where the Court called such an effort 'an afterthought. No such function . . . is hinted at in the specifications of the patent. If this were so vital an element in the functioning of the apparatus it is strange that all mention of it was omitted' ". (383 US 1, 25).

The only other argument advanced by petitioners for the grant of certiorari is that the lower Courts did not give adequate consideration to the opinion of this Court in the *Diamond Rubber* case 220 US 428 (1911).

In the Diamond Rubber case, this Court stated:

> "He must, indeed, make such disclosure and description of his invention that it may be put into practice. In this he must be clear. He must not put forth a puzzle for invention or experiment to solve, but the description is sufficient if those skilled in the art can understand it. This satisfies the law, which only requires as a condition of its protection, that the world be given something new and that would be taught how to use it." (220 U.S. 436).

As noted from the above quotation of this Court, it is essential in a patent that the inventor as a condition for his protection give the world something new and "that the world be taught how to use it". Petitioners argument is totally contrary to this concept because the thrust of the argument is that during the period of time from 1965 through 1974, Mr. Wahl, the inventor, Vibra Screw, the exclusive licensee and manufacturer of these devices, and the whole industry, did not know how these devices worked. It is totally contrary to what this Court stated is essential as a prerequisite to the grant of protection to an inventor. If, during this time, the world learned nothing from the patent and from the production and sale of the product allegedly covered by the patent, the inventor should be denied protection under the patent.

If the opinion, as argued by petitioners, suggests that afterthoughts or new theories of operation may be "added" to the patent, then this notion has been disspelled by this Court in the Graham v. Deere case, and particularly the portion quoted above.

Since the opinion of this Court in Blonder-Tongue, many cases have applied the doctrine of collateral estoppel where a patent has been earlier held invalid. To this date, other than the District Court in the Kaiser litigation which was reversed by the Third Circuit Court of Appeals, no case has been found which permitted further litigation after a patent has been invalid.

It is respectfully submitted that the petition for a writ of certiorari be denied.

Respectfully submitted,

THOMAS F. MCWILLIAMS
53 W. Jackson Blvd.
Chicago, Illinois 60604
Attorney for Respondent
Rexnord, Inc.